

1 BILL LOCKYER, Attorney General
of the State of California
2 SUSAN MELTON WILSON, State Bar No. 106092
Deputy Attorney General
3 California Department of Justice
300 So. Spring Street, Suite 1702
4 Los Angeles, CA 90013
Telephone: (213) 897-4942
5 Facsimile: (213) 897-2804
6 Attorneys for Complainant
7

8 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
9 **DEPARTMENT OF CONSUMER AFFAIRS**
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

Case No. AC-2004-39

12 MARGOT JEAN STRAWN
25392 Elderwood
13 El Toro, CA 92630

**DEFAULT DECISION
AND ORDER**

14 Certified Public Accountant,
Certificate No. 24491

[Gov't. Code § 11520]

15 and

16 MARGOT JEAN STRAWN
21141 Canada Road
17 Apt. 16A
18 Lake Forest, CA 92630-7723,

19 Certified Public Accountant,
Certificate No. 24491,

20 Respondent.
21

22 **FINDINGS OF FACT**

- 23 1. On or about February 1, 2005, Complainant Carol Sigmann, in her official
24 capacity as the Executive Officer of the California Board of Accountancy, Department of
25 Consumer Affairs, filed Accusation No. AC-2004-39 against MARGOT JEAN STRAWN
26 (Respondent) before the California Board of Accountancy.
- 27 2. On or about April 22, 1977, the California Board of Accountancy issued
28 Certified Public Accountant certificate No. 24491 to Margot Jean Strawn (Respondent).

1 3. The Certificate was expired during the period of March 1, 1991, through
2 March 21, 1991, because the renewal fee(s), required by the Business and Professions Code
3 5070.6, was not paid; and a declaration of compliance with continuing education regulations was
4 not submitted.

5 4. The Certificate was subsequently renewed effective March 22, 1991,
6 through February 23, 1993. The Certificate was expired during the period March 1, 1993,
7 through March 4, 1993, again due to failure to pay the renewal fee and submit a proof of
8 compliance with continuing education requirements.

9 5. The Certificate was subsequently renewed effective March 5, 1993,
10 through February 28, 1995. The Certificate was expired during the period March 1, 1995,
11 through March 28, 1995, again due to failure to pay the renewal fee and submit proof of
12 compliance with continuing education requirements.

13 6. The Certificate was subsequently renewed effective March 29, 1995,
14 through February 28, 1997.

15 7. The Certificate was subsequently renewed effective March 1, 1997,
16 through February 28, 2001. The Certificate expired effective March 1, 2001, and has not been
17 renewed.

18 8. On or about February 7, 2005, Judith A. Baerresen, an employee of the
19 Office of the Attorney General, served by Certified and First Class Mail a copy of the Accusation
20 No. AC-2004-39, Statement to Respondent, Notice of Defense, Request for Discovery, and
21 Government Code sections 11507.5, 11507.6, and 11507.7 to Respondent's latest address on file
22 with the Board, which was and is 21141 Canada Road, Apt. 16A, Lake Forest, CA 92630-7723,
23 *as well as* to her last address of record with the Board, 25392 Elderwood, El Toro, CA 92630. A
24 copy of the Accusation, the related documents, and Declaration of Service (with envelopes
25 returned by the postal service from Certified and First Class mailings to the El Toro address) are
26 attached to this Decision as **EXHIBIT A**, and incorporated herein by reference.

27 \\

28 \\

1 9. Per the attached Declaration of Susan Melton Wilson, Deputy Attorney
2 General, attached to this Decision as **EXHIBIT B** , and incorporated herein by reference,
3 Respondent's latest address on file is where she apparently actually resides. Mail sent to her
4 address of record has been returned repeatedly by the postal service as undeliverable.

5 10. On or about February 8, 2005, a certified mailing return card was received
6 at the Office of Attorney General, indicating delivery by the postal service of the Accusation and
7 related documents served to the addressee at the Lake Forest address. Said return card is attached
8 hereto as **EXHIBIT C**, and incorporated herein by reference.

9 11. The mailing of the Accusation and related documents served to the
10 addressee at the El Toro address was returned by the postal service as undeliverable.

11 12. Service of the Accusation was effective as a matter of law under the
12 provisions of Government Code section 11505, subdivision (c).

13 13. Government Code section 11506 states, in pertinent part:
14 "(c) The respondent shall be entitled to a hearing on the merits if the respondent
15 files a notice of defense, and the notice shall be deemed a specific denial of all parts of the
16 accusation not expressly admitted. Failure to file a notice of defense shall constitute a waiver of
17 respondent's right to a hearing, but the agency in its discretion may nevertheless grant a hearing."

18 14. Respondent failed to file a Notice of Defense within 15 days after service
19 upon her of the Accusation, and therefore waived her right to a hearing on the merits of
20 Accusation No. AC-2004-39.

21 15. California Government Code section 11520 states, in pertinent part:
22 "(a) If the respondent either fails to file a notice of defense or to appear at the
23 hearing, the agency may take action based upon the respondent's express admissions or
24 upon other evidence and affidavits may be used as evidence without any notice to
25 respondent."

26 ///
27 ///
28 ///

16. Pursuant to its authority under Government Code section 11520, the Board finds Respondent is in default. The Board will take action without further hearing and, based on Respondent's express admissions by way of default and the evidence before it, contained in EXHIBITS A, B, C and Board investigative files related to this Respondent, finds that the allegations in Accusation No. AC-2004-39 are true.

17. The total costs for investigation and enforcement within the meaning of Business and Professions Code section 5107 are \$4,796.00 (Four thousand seven hundred and ninety-six dollars) as of February 24, 2005.

DETERMINATION OF ISSUES

1. Based on the foregoing findings of fact, Respondent Margot Jean Strawn has subjected her Certified Public Accountant certificate No. 24491 to discipline.

2. A copy of the Accusation and the related documents and Declaration of Service are attached.

3. The agency has jurisdiction to adjudicate this case by default.

4. The California Board of Accountancy is authorized to revoke Respondent's Certified Public Accountant certificate No. 24491 based upon the following violations alleged in the Accusation:

a. Respondent is subject to disciplinary action under section 5100, subdivision (g) and Title 16, California Code of Regulations section 52, subdivisions (a), (b) and (c), due to her failure to respond to multiple investigative inquiries of the Board, as well as her failure to comply with the Board's duly issued investigatory subpoena, served to her in July, 2003.

b. Respondent is further subject to disciplinary action under section 5100, subdivision (g) and 5050 of the Code for unprofessional conduct in that she engaged in the practice of accountancy in or about August 1, 2003, by holding herself out to the public as a certified public accountant currently qualified and ready to render accounting services when her license was in an expired status as described more particularly in the Accusation.

///

1 c. Respondent is further subject to disciplinary action under section 5100,
2 subdivision (g) due to her willful violation of Title 16, California Code of Regulations section 3,
3 by reason of her failure to timely report change(s) of her address of record.

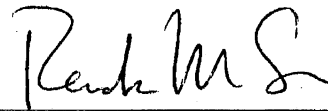
4 ORDER

5 IT IS ORDERED that Certified Public Accountant certificate No. 24491
6 heretofore issued to Respondent Margot Jean Strawn, is revoked.

7 Pursuant to Government Code section 11520, subdivision (c), Respondent may
8 serve a written motion requesting that the Decision be vacated and stating the grounds relied on
9 within seven (7) days after service of the Decision on Respondent. The agency in its discretion
10 may vacate the Decision and grant a hearing on a showing of good cause, as defined in the
11 statute.

12 This Decision shall become effective on April 22, 2005.

13 It is so ORDERED March 23, 2005

14
15
16 

17 FOR THE CALIFORNIA BOARD OF ACCOUNTANCY
18 DEPARTMENT OF CONSUMER AFFAIRS

19
20
21 attachments:

22 Exhibit A: Accusation No. AC-2004-38, Related Documents, Declaration of Service
23 Exhibit B: Declaration of Susan Melton Wilson
24 Exhibit C: Postal Return Document.

25 DOJ docket number:03541110-LA2004601240

26 Strawn Default.wpd
27
28

Exhibit A

Accusation No. AC-2004-38,
Related Documents and Declaration of Service

1 BILL LOCKYER, Attorney General
of the State of California
2 SUSAN MELTON WILSON, State Bar No. 106092
Deputy Attorney General
3 California Department of Justice
300 So. Spring Street, Suite 1702
4 Los Angeles, CA 90013
Telephone: (213) 897-4942
5 Facsimile: (213) 897-2804
6 Attorneys for Complainant

7
8 **BEFORE THE**
9 **CALIFORNIA BOARD OF ACCOUNTANCY**
10 **DEPARTMENT OF CONSUMER AFFAIRS**
STATE OF CALIFORNIA

11 In the Matter of the Accusation Against:

Case No. AC-2004-39

12 MARGOT JEAN STRAWN
25392 Elderwood
13 El Toro, CA 92630

A C C U S A T I O N

14 Certified Public Accountant
Certificate No. 24491

15 and

16 MARGOT JEAN STRAWN
21141 Canada Road
17 Apt. 16A
18 Lake Forest, CA 92630-7723,

19 Certified Public Accountant
Certificate No. 24491

20 Respondent.

21
22 Complainant CAROL SIGMANN, for causes for discipline alleges:

23 **PARTIES**

24 1. Carol Sigmann (Complainant) brings this Accusation solely in her official
25 capacity as the Executive Officer of the California Board of Accountancy, Department of
26 Consumer Affairs.

27 2. On or about April 22, 1977, the California Board of Accountancy issued
28 Certified Public Accountant Certificate No. 24491 to Margot Jean Strawn (Respondent).

3. The Certificate was expired during the period of March 1, 1991, through March 21, 1991, because the renewal fee(s), required by the Business and Professions Code 5070.6, was not paid, and a declaration of compliance with continuing education regulations was not submitted.

4. The Certificate was subsequently renewed effective March 22, 1991, through February 28, 1993. The Certificate was expired during the period March 1, 1993, through March 4, 1993, again due to failure to pay the renewal fee and submit proof of compliance with continuing education requirements.

5. The Certificate was subsequently renewed effective March 5, 1993, through February 28, 1995. The Certificate was expired during the period March 1, 1995, through March 28, 1995, again due to failure to pay the renewal fee and submit proof of compliance with continuing education requirements.

6. The Certificate was subsequently renewed effective March 29, 1995, through February 28, 1997.

7. The Certificate was subsequently renewed effective March 1, 1997, through February 28, 2001. The Certificate was expired effective March 1, 2001, and has not been renewed.

JURISDICTION

8. This Accusation is brought before the California Board of Accountancy (Board), under the authority of the following sections of the Business and Professions Code (Code).

9. Business and Professions Code section 5050, states:

"No person shall engage in the practice of public accountancy in this State unless such person is the holder of a valid permit to practice public accountancy issued by the board; provided, however, that nothing in this chapter shall prohibit a certified public accountant or a public accountant of another state, or any accountant of a foreign country lawfully practicing therein, from temporarily practicing in this State on professional business incident to his regular practice in another state or country."

1 10. Business and Professions Code section 5051 provides as follows:

2 "Except as provided in Sections 5052 and 5053, a person shall be deemed to be engaged
3 in the practice of public accountancy within the meaning and intent of this chapter if he or she
4 does any of the following:

5 (a) Holds himself or herself out to the public in any manner as one skilled in the
6 knowledge, science, and practice of accounting, and as qualified and ready to render professional
7 service therein as a public accountant for compensation.

8 (b) Maintains an office for the transaction of business as a public accountant.

9 (c) Offers to prospective clients to perform for compensation, or who does perform on
10 behalf of clients for compensation, professional services that involve or require an audit,
11 examination, verification, investigation, certification, presentation, or review of financial
12 transactions and accounting records.

13 (d) Prepares or certifies for clients reports on audits or examinations of books or records
14 of account, balance sheets, and other financial, accounting and related schedules, exhibits,
15 statements, or reports that are to be used for publication, for the purpose of obtaining credit, for
16 filing with a court of law or with any governmental agency, or for any other purpose.

17 (e) In general or as an incident to that work, renders professional services to clients for
18 compensation in any or all matters relating to accounting procedure and to the recording,
19 presentation, or certification of financial information or data.

20 (f) Keeps books, makes trial balances, or prepares statements, makes audits, or prepares
21 reports, all as a part of bookkeeping operations for clients.

22 (g) Prepares or signs, as the tax preparer, tax returns for clients.

23 (h) Prepares personal financial or investment plans or provides to clients products or
24 services of others in implementation of personal financial or investment plans.

25 (i) Provides management consulting services to clients.

26 The activities set forth in subdivision (f) to (i), inclusive, are "public accountancy" only
27 when performed by a certified public accountant or public accountant, as defined in this chapter.

28 ///

1 A person is not engaged in the practice of public accountancy if the only services he or
2 she engages in are those defined by subdivisions (f) to (i), inclusive, and he or she does not hold
3 himself or herself out, solicit, or advertise for clients using the certified public accountant or
4 public accountant designation. A person is not holding himself or herself out, soliciting, or
5 advertising for clients within the meaning of this section solely by reason of displaying a CPA or
6 PA certificate in his or her office or identifying himself or herself as a CPA or PA on other than
7 signs, advertisements, letterhead, business cards, publications directed to clients or potential
8 clients, or financial or tax documents of a client."

9 11. Business and Professions Code section 5100, states:

10 "After notice and hearing the board may revoke, suspend, or refuse to renew any
11 permit or certificate granted under Article 4 (commencing with Section 5070) and Article 5
12 (commencing with Section 5080), or may censure the holder of that permit or certificate for
13 unprofessional conduct that includes, but is not limited to, one or any combination of the
14 following causes:

15

16 "(c) Dishonesty, fraud, gross negligence, or repeated negligent acts committed in
17 the same or different engagements, for the same or different clients, or any combination of
18 engagements or clients, each resulting in a violation of applicable professional standards that
19 indicate a lack of competency in the practice of public accountancy or in the performance of the
20 bookkeeping operations described in Section 5052."

21

22 "(g) Willful violation of this chapter or any rule or regulation promulgated by the
23 board under the authority granted under this chapter."

24 \\\

25 \\\

26 \\\

27 \\\

28 \\\

1 12. California Code of Regulations, title 16, section 3, states:

2 "(1) Each licensee shall notify the Board of any change in his or her address of
3 record within 30 days after the change. The address of record is public information. If the
4 address of record is a post office box or mail drop, the change of address notification shall
5 include the street address of either the licensee's primary place of employment or his or her
6 residence."

7 "(2) For purposes of this section, "licensee" includes any holder of an active,
8 inactive, suspended, or expired certified public accountant license or public accountant license
9 issued by the Board which is not canceled or revoked."

10 "(3) All notification required under this subsection shall be in writing and shall
11 be signed by the licensee."

12 13. California Code of Regulations, title 16, section 52, states:

13 "(a) A licensee shall respond to any inquiry by the Board or its appointed
14 representatives within 30 days. The response shall include making available all files, working
15 papers and other documents requested."

16 "(b) A licensee shall respond to any subpoena issued by the Board or its executive
17 or the assistant executive officer in the absence of the executive officer within 30 days and in
18 accordance with the provisions of the Accountancy Act and other applicable laws or regulations."

19 14. Section 5107, subdivision (a), states, in pertinent part:

20 "The executive officer of the Board may request the administrative law judge, as
21 part of the proposed decision in a disciplinary proceeding, to direct any holder of a permit or
22 certificate found to have committed a violation or violations of this chapter to pay to the board all
23 reasonable costs of investigation and prosecution of the case, including, but not limited to,
24 attorney's fees. The board shall not recover costs incurred at the administrative hearing."

25 **FIRST CAUSE FOR DISCIPLINE**

26 **Failure to Respond to Board Inquiries**

27 15. Respondent is subject to disciplinary action under section 5100,
28 subdivision (g) due to multiple, willful violations of Title 16, California Code of Regulations

1 section 52, subdivisions (a) and (b), by reason of her failure to respond to Board inquiries,
2 written and telephonic and her having failed to comply with the Board's duly issued investigatory
3 subpoena, as follows:

4 A. **Written and Telephonic Inquiry**

5 (1) The Board's investigation case file A-2002-406 was opened against
6 Respondent by the Board April 23, 2002 to investigate the cause of her termination from the
7 American Institute of Certified Public Accountants (AICPA) Peer Review Program.

8 (2) An enforcement contact letter was mailed certified delivery on April 30,
9 2002, notifying Ms. Strawn that the Board was investigating her termination from the AICPA
10 Peer Review Program, and requested written responses to questions in three subject areas. The
11 certified mail card was returned indicating receipt by Respondent. However, no response to the
12 letter was received.

13 (3) A Board investigator telephoned Respondent on July 2, 2002, and left a
14 message regarding the letter and asked her to phone him. Respondent called on July 3, 2002, and
15 left a voice mail message stating she would be out until Monday afternoon and would call then.
16 However, no call was received.

17 (4) A second letter (again describing the investigation and requesting
18 responses to a series of questions) was sent to Respondent via certified mail on October 11, 2002,
19 to her address of record in El Toro, CA. The letter was returned because the forwarding time had
20 expired. However, the post office nevertheless noted a new address in Lake Forrest, CA.

21 (5) A third letter (again describing the investigation and requesting responses
22 to a series of questions) was sent to Respondent via certified and regular mail on December 30,
23 2002, to the address in Lake Forest. A certified mail card was returned, indicating receipt by
24 "Millie Strawn." However, no response to the letter from Respondent was received.

25 (6) A Board investigator telephoned Respondent at her place of business on
26 February 24, 2003. A receptionist answered the phone with the greeting, "Agee & Strawn". This
27 is a fictitious name registered with the Board by Respondent. A message for Respondent to call
28 the investigator was left with the receptionist. No call was received.

1 (7) A fourth letter (again describing the investigation and requesting responses
2 to a series of questions) was sent to Respondent via certified and regular mail on April 23, 2003,
3 to the Lake Forest address. The certified mail card was returned indicating delivery on April 25,
4 2003. No response was received.

5 (8) A Board investigator telephoned Respondent on May 30, 2003 and left a
6 recorded message on the answering machine. No response to the message was received.

7 **B. Investigatory Subpoena**

8 (1) Complainant authorized issuance of an investigatory subpoena to
9 Respondent, pursuant to section 5108 directing Respondent to produce certain documents and
10 information by mail or delivery to the Board's office in Sacramento.

11 (2) On or about July 23, 2003, the subpoena and accompanying documents
12 were served by first class and certified mail to Respondent's address of record and to the Lake
13 Forest address earlier provided by the United States Postal Service. A certified mail return
14 receipt card was subsequently returned, indicating receipt by Respondent.

15 (3) Respondent made no response whatsoever to the subpoena, and has
16 produced nothing in response to it.

17 **SECOND CAUSE FOR DISCIPLINE**

18 **Practice of Accountancy Without a Valid License**

19 16. Respondent is subject to disciplinary action under sections 5100,
20 subdivision (g) and 5050 of the Code for unprofessional conduct in that she engaged in the
21 practice of accountancy during the period her permit was in an expired status as follows:

22 A. On or about August 1, 2003, Respondent prepared a letter on a business
23 letterhead reading, "Agee and Strawn, CPA" addressed to "clients and friends", which was
24 received by at least one client, and presumably mailed to others, in which Respondent advised
25 that she was relocating her business office "as of August 4, 2003" to an address in the City of
26 Fullerton, CA.

27 ///

28 ///

B. By these acts, Respondent held herself out to the public as a certified public accountant currently qualified and ready to render accounting services; and indicated she maintained an office for the transaction of said services. This was, in fact, false information, as her license expired on March 1, 2001, and was in an expired status in August of 2003.

THIRD CAUSE FOR DISCIPLINE

Failure to Notify Board of Change of Address

17. Respondent is subject to disciplinary action under section 5100, subdivision (g) due to willful violation of Title 16, California Code of Regulations section 3, by reason of her failure to report changes of her address of record, as follows:

A. Respondent has not reported any change of address since her last renewal in March of 1999. Her current address of record is a residential address in the city of El Toro, California.

B. As described in *paragraph 15(A) above*, in October, 2002, Board correspondence to Respondent at her address of record was returned by the United States Postal Service, noting the forwarding time had expired, but showing a new address for Respondent in Lake Forest, CA.

C. Since approximately January, 2002, any correspondence sent to Respondent's address of record has been returned as undeliverable.

PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the California Board of Accountancy issue a decision:

1. Revoking, suspending or otherwise imposing discipline upon Certified Public Accountant Certificate No. 24491 issued to Margot Jean Strawn;

2. Ordering Margot Jean Strawn to pay the California Board of Accountancy the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 5107;

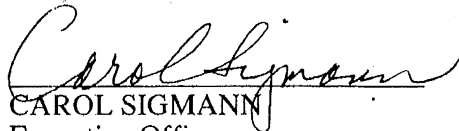
///

111

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

3. Taking such other and further action as deemed necessary and proper.

DATED: February 1, 2005



CAROL SIGMANN
Executive Officer
California Board of Accountancy
Department of Consumer Affairs
State of California
Complainant

80046333